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December 10, 2002

Mr. Jim Christiansen
Remedial Project Manager
U.S. Environmental Protection Agency
Region VIII, Mail Code (EPR-SR)
999 18th Street, Suite 500
Denver, CO 80202-2466

Project: RAC Contract No. 68-W5-0022
Work Assignment No. 116-RIRI-08BC
DCN: 3282-116-CO-EPOU-16214

Subject: CDM's Performance of Construction at the Libby Asbestos Site,
Operable Unit 4, Libby, Montana

Dear Mr. Christiansen:

At your request, CDM has investigated the issues surrounding its ability to perform construction at the Libby Asbestos Site and received direction from CDM's Office of General Counsel and Office of the Chairman regarding this work, as follows:

- CDM can conduct non-asbestos construction work.
- CDM can perform asbestos construction work as long as EPA provides CDM with indemnification for the uninsurable and unbondable risks, i.e. primarily long-term asbestos-related claims.

At present, the considerable uncertainty in the insurance and bonding market does not allow CDM to quantify the potential risks. We will continue to watch the market closely and continuously seek ways in which to quantify the risks so that we can assist EPA on this project. We will keep you apprised of any developments.



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If you have any questions or comments regarding this letter, please feel free to call.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Linda J. Brown', with a long, sweeping horizontal line extending to the right.

Linda J. Brown, Ph.D.
Program Manager
CDM Federal Programs Corporation

cc: A. Hamp, EPA Contract Officer
M. Malloy, CDM Chief Operating Officer
R. Culver, CDM Contract Financial Administration Manager
J. Montera, CDM Project Manager (RAC)
T. Wall, CDM Project Manager (Volpe)
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